

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of	)	CA 02-38
	)	
CDS INTERNATIONAL and	)	
Pravin Desai,	)	
	)	
Respondents.	)	
_____	)	

CONCILIATION AGREEMENT

On or around October 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, CDS International, also known as Chapman Desai Sakata, Inc. and Pravin Desai, (unless otherwise noted collectively "CDS"). Business Registration Division records list CDS as doing business in architectural services, whose business address is 1001 Bishop Street, Pauahi Tower, Suite 400, Honolulu, Hawaii. CDS lists its officers as:

Pravin R. Desai	President
Morris K. Whitcomb	Vice-President
Carol S. Sakata	Secretary

The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, CDS and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.

- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or corrective action taken by Respondents pursuant to section 11-216(g), HRS.
- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
  1. On or around October 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of the Ben Cayetano campaign committee ("Cayetano"), Jeremy Harris campaign committee ("Harris"), Mazie Hirono campaign committee ("Hirono") and Kimo Apana campaign committee ("Apana"), initiated an investigation involving excess contributions in violation of section 11-204, HRS and contributions in violation of other campaign statutes.
  2. Section 11-204(a)(1)(B), HRS reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking

nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.

3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to:...A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-204(h), HRS reads in part as follows: an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
5. Section 11-202, HRS reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party, or committee in connection with a nomination for election, or election, in any name other than the true name of the person who owns the money or who supplied the money or property.
6. The election period for Cayetano, for the office of Governor include the period from January 1995 to November 5, 1998.
7. On or about December 7, 1995, CDS made a contribution to Cayetano in the amount of \$1,000.

8. On or about June 18, 1997, CDS made a contribution to Cayetano in the amount of \$5,000.
9. On or about June 18, 1997, Pravin Desai made a contribution to Cayetano in the amount of \$750.
10. On or about June 18, 1997, Carol Sakata made a contribution to Cayetano in the amount of \$1,500.
11. On or about December 31, 1997, Morris Whitcomb made a contribution to Cayetano in the amount of \$6,000.
12. On or about July 14, 1998, Carol Sakata made a contribution to Cayetano in the amount of \$1,300.
13. That aggregate contributions by CDS and officers totaled \$15,550 to the Cayetano campaign committee for the election period, excess contributions of \$9,550.
14. The election period of Harris for the office of mayor include the period from November 6, 1996 to November 7, 2000.
15. On or about June 30, 1999, CDS made a contribution to Harris in the amount of \$4,000.
16. On or about September 27, 2000, Pravin Desi made a contribution to Harris in the amount of \$1,325.
17. On or about September 27, 2000, Carol Sakata made a contribution in the amount of \$1,225.
18. On or about September 27, 2000, Morris Whitcomb made a contribution to Harris in the amount of \$500.

19. That aggregate contributions by CDS and officers totaled \$7,050 to the Harris campaign committee for the election period, excess contributions of \$3,050.
20. The election period for the Hirono campaign for Lieutenant Governor of Hawaii include the period from January 1995 to November 5, 1998.
21. On or about July 3, 1998, CDS made a contribution to Hirono in the amount of \$1,000.
22. On or about October 31, 1998 CDS made a contribution to Hirono in the amount of \$5,000.
23. On or about October 31, 1998, Carol Sakata made a contribution to Hirono in the amount of \$5,000.
24. That aggregate contributions by CDS and officers totaled \$11,000 for the election period, excess contributions of \$5,000.
25. The election period for the Apana campaign for Mayor of Maui county include the period from November 7, 1998 to November 7, 2002.
26. On or about August 31, 2001, CDS made a contribution to Apana in the amount of \$4,000.
27. On or about August 31, 2001, Pravin Desai made a contribution to Apana in the amount of \$1,500.
28. That aggregate contributions by CDS and officers totaled \$5,500 for the election period, excess contributions of \$1,500.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #02-38, CDS understands and agrees to the following:

- (A) CDS agrees to an assessment of **Four Thousand Five Hundred Dollars (\$4,500)** pursuant to section 11-228, HRS.
  - (1) For violation of section 11-204(a)(1)(B), HRS, making an excess campaign contributions to the Cayetano and Hirono campaign committees; and
  - (2) For violation of section 11-204(a)(1)(C), HRS, making an excess campaign contribution to the Harris and Apana campaign committees.
- (B) CDS agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.

VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.

IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.

- X. This Agreement constitutes the entire agreement between the Commission and CDS on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

**FOR THE COMMISSION:**

Robert Y. Watada, Executive Director

By: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE RESPONDENTS:**

Pravin Desai

By: \_\_\_\_\_

Date: \_\_\_\_\_

(Name)

(Title)